Unemployment Insurance Review

June 1967

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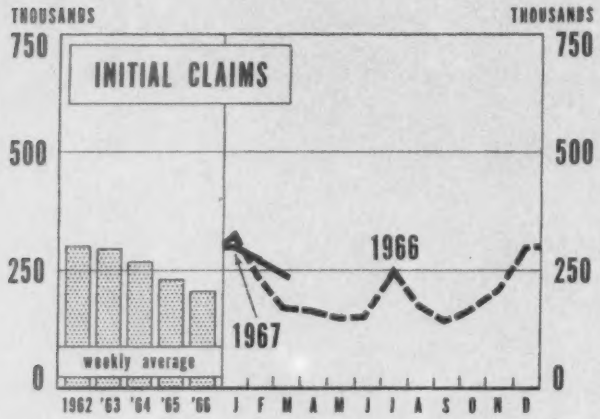
In this issue

The Universities and Unemployment Insurance: A Symposium

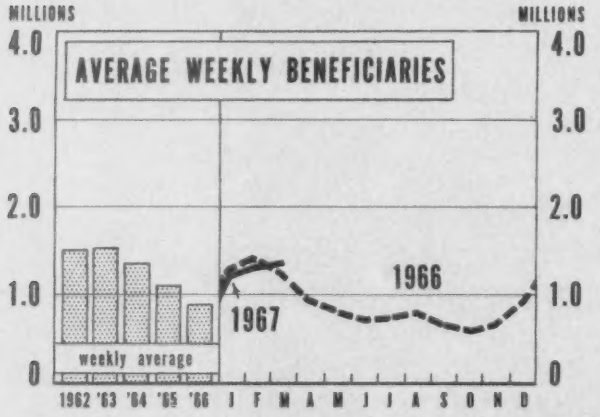
UNITED STATES DEPARTMENT OF LABOR
Manpower Administration

UNEMPLOYMENT INSURANCE ACTIVITIES

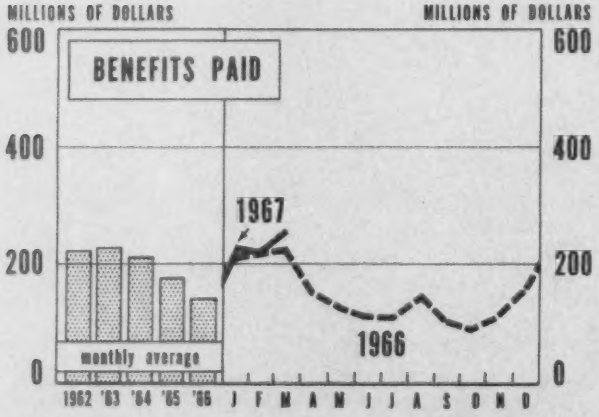
UNDER STATE PROGRAMS



Initial claims under State programs averaged 239,300 per week in March—down 10 percent and less than seasonal for this time of year. Compared with a year earlier, initial claims were 40 percent higher.



The number of unemployed workers receiving benefit payments under regular State programs averaged 1.4 million per week in March. This was only 2 percent above the February average and some 8 percent higher than in March 1966.



In March, $257.5 million was paid to insured jobless workers under State programs, compared with $219.5 million in February and $225.5 million a year earlier. For the first quarter of 1967, a total of $701.8 million in benefits was paid under State programs compared with $655.3 million during the same period in 1966.

Unemployment Insurance Review

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U.S. DEPARTMENT OF LABOR
W. Willard Wirtz, Secretary

MANPOWER ADMINISTRATION
Stanley H. Ruttenberg, Administrator

BUREAU OF EMPLOYMENT SECURITY
Robert C. Goodwin, Administrator

UNEMPLOYMENT INSURANCE SERVICE
William U. Norwood, Jr., Director

HARRY F. MULLALY, Editor

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A Prefatory Note

IN THIS SYMPOSIUM an important question has been posed and addressed to all concerned with the unemployment insurance program on both the State and Federal levels. The question is: "What can be done to reinvigorate the interest of the universities in the unemployment insurance program and enhance cooperation between the universities and the program's administrators and planners?"

At a time when the UI program is directly affected by the many adjustments taking place in the skill requirements of the labor force in response to the rapid changes of a technical economy, the sustained interest and sustaining counsel of the universities are needed more than ever before. The participation of our teachers in all programs—governmental, social, scientific, and educational—has become universal with the growing interdependence and interrelationships of all sectors of modern society. More and more the community is turning to the universities for ideas and knowledge, for expert advice and guidance, for inspiration and hope in solving the increasingly complicated problems of our technological age. More than ever before we are finding in the universities the source for leaders and administrators. This has always been true in the field of unemployment insurance where our schools of learning have made a notable contribution, not only to the program's development and administration but also to its research studies.

Yet, as with all programs that have been successfully initiated and have attained an accepted place in our economic and social life, we tend to take the UI program for granted and to become more concerned with its details than with its basic purposes. We forget that in a dynamic world such as we have today, the program requires constant attention to see that it remains an effective instrument for maintaining the social and economic health for which it was designed.

Mr. Buckley has startled us from such complacency by calling our attention to this lessening of interest and has suggested a number of actions that could be taken to remedy it.

We, in the Bureau of Employment Security, who are directly concerned with the UI program, have had an advantage over our colleagues in the State agencies in making a head start in this direction. We had the benefit of Mr. Buckley's observations in a talk to our regional unemployment insurance directors in December 1966 shortly before his retirement. That talk was the genesis of his presentation in the following pages. One of our first steps in following through his suggestions was to widen our contacts with the academic community through the *Unemployment Insurance Review*, and through the encouragement of teacher interest in the preparation of articles on various aspects of the program related to their specific courses or academic disciplines, which we hope to publish from time to time. In other areas we are continuing our encouragement of research projects, our consultations with university people, and the participation by university faculty in our staff and professional organization meetings, and by taking other steps mentioned in Mr. Buckley's observations. However, we are sure that Mr. Buckley would be the last to agree that his suggestions are all that could be done. We are certain the State agencies will discover and develop any number of imaginative ways for renewing and maintaining the interest and support of the universities in their State programs. We in the Bureau have taken Mr. Buckley's message seriously, and with this symposium have taken the first of several steps to mark our response. We are sure his suggestions will evoke a similar serious response from the State agencies.

WILLIAM U. NORWOOD, JR., *Director,*
Unemployment Insurance Service.

The Universities and Unemployment Insurance: A Symposium

This symposium is a review and evaluation of the role of the academic community in the history and development of the Federal-State unemployment insurance program. The panel of educators, experienced students of the program and contributors to its literature, offers suggestions for revitalizing the interest of the universities in studies to strengthen unemployment insurance as an effective income stabilizer, and as an active measure to increase and improve the skills of the Nation's labor force and achieve full employment.

Relations With the Academic Community

Louis F. Buckley

THE EARLY HISTORY of unemployment insurance at the Federal and State levels is replete with contributions made by the academic community. The process of education needed to secure the enactment of unemployment insurance legislation had its beginning in presentations made by professors such as Henry R. Seager of Columbia University concerning foreign systems at meetings of the American Association for Labor Legislation beginning as early as 1907. Pioneer legislative work was done by Prof. John R. Commons of the University of Wisconsin, who drafted the Huber bill in 1921 which served as a model for a number of bills introduced in State legislatures during the 1920's. Profs. Harold Groves, Paul Raushenbush, and Elizabeth Brandeis from the University of Wisconsin drafted the bill enacted in 1932 in Wisconsin. Professors like Leo Wolman, William Leiserson, and Charles Kulp served on the Interstate Commission on Unemployment Insurance which recommended compulsory legislation in 1932.

Mr. Buckley is Associate Professor of Industrial Relations, Loyola University, Chicago, and until his retirement in December 1966 was Regional Administrator for the Department of Labor's Bureau of Employment Security, Region II, New York City.

When Prof. Edwin E. Witte of the University of Wisconsin was appointed by President Roosevelt as Executive Director of the Committee on Economic Security in 1934, he was Acting Director of the Unemployment Compensation Division of the Industrial Commission of Wisconsin. A number of professors served on the technical board of the Committee on Economic Security, including Profs. Hansen, Leiserson, and Viner, who were also members of the unemployment insurance committee of the technical board. The academic community was also represented on the Advisory Council on Economic Security and on the technical staff of the Committee on Economic Security in 1934 and 1935 when the recommendations for Federal legislation were being considered. Since the recommendations of the Committee on Economic Security in 1935 were based on the advice of the staff, of committees, and of advisory groups, it is evident that the professors had a great deal to do with formulating the provisions of our Federal-State unemployment insurance system. Professors who made significant contributions to the discussions of unemployment insurance in the early 1930's, for example, Paul Douglas of the University of Chicago, testified before congressional committees when the Social Security Act was being considered by Congress.

Members of the academic community made substantial contributions in formulating unemployment insurance legislation in a number of States. They also assisted in initially setting up an organization to administer the law in States such as Wisconsin and Illinois, where Prof. Paul Raushenbush of the University of Wisconsin and Prof. Peter Swanish of Loyola University served as State administrators. Professors have been helpful from the beginning of the program as chairmen and members of State advisory councils and as consultants.

A major contribution to the program has been made by university professors and graduate students over the years in research which has produced helpful books, dissertations, articles, and presentations at conferences. The testimony of professors before legislative hearings, at the State and Federal levels, has been most helpful. The statement presented to the House Ways and Means Committee in 1965 by 38 academic specialists from 27 universities in 14 States is the most recent example of the interest of academia in improving the unemployment insurance program. The offering of courses in social insurance in colleges and universities contributes to a better understanding of the program by students who later will become influential leaders in various fields of activity which relate to the program. Finally, the guidance which faculty members give to students and the interest they arouse in fields of study determine the extent to which we are likely to have students studying unemployment insurance and also future employees interested in working in this program. Many of us became interested in unemployment insurance through the influence of our teachers. In my case, at the University of Wisconsin, it was Professor Witte who motivated me to work, teach, and write in this field. Father Becker has remarked that he wrote his doctoral dissertation in the unemployment insurance field and has been hooked ever since.

Decline in Academic Interest

In view of the importance of academia to the unemployment insurance program, certain indicators of declining interest should be of concern to everyone involved in this program. An analysis of research activities of members of the Industrial Relations Research Association indicates that only 8.1 percent of those doing research in social insurance and welfare in 1966 were involved in unemployment insurance projects, compared to 24.2 percent in 1962 and 20 percent in 1957 and 1958. The decline of interest in unemployment insurance and in unemployment problems is greater than in any other field of research activity. Studies in the general subject of social security involved one-third more members than did unemployment insurance although each attracted exactly the same percent in 1962 and 1958. The number working in disability, health, and workmen's compensation research, which were combined in one field in the report, was three times greater than in unemployment insurance in 1966, while in 1962 the percent active in unemployment insurance research was twice as great as for the total for the group working on disability, health, and workmen's compensation projects combined.

The decline in the number of social insurance courses in American colleges has been noted by Prof. Ronald C. Horn in the *Journal of Risk and Insurance* for March 1966. He found that the 46 undergraduate courses offered in 1962–63 in social insurance represented a decline compared with 1956–57. About 56 percent of those taking social

insurance in 1962–63 were enrolled in courses required only for students majoring in insurance. Only 37 percent of the students were enrolled in social insurance courses having an "elective status."

Prof. Harry Malisoff has traced this tendency of diminished interest in social insurance to the early 1950's when mathematization of economics developed. He also notes that simultaneously there was a sharp downgrading of the traditional "institutional" concerns of the economists. Professor Malisoff emphasizes that social insurance has been confronted, in the competition that exists in the overcrowded undergraduate curriculum, by whole subject fields rather than individual competitor courses. He refers to international education, science education, foreign language education, mathematics education, and library education as examples of such competition. Professor Malisoff reminds us that these areas have developed under the stimulation of national needs and the unprecedented availability of substantial Federal grants for centers of research, strengthening of curricula, training sessions, conferences, and institutes.

A number of my colleagues and State agency officials with whom I have discussed this matter stress the lack of available funds as an important factor in the decline of interest in unemployment insurance research. The analysis of research activities of members of the Industrial Relations Research Association indicates that, although current studies in the job market showed a marked increase since 1958, research in unemployment problems has declined substantially since 1962. My old professor, the late John R. Commons, used to refer to the "lazy rogue" attitude toward the unemployed which tended to prevail during periods of prosperity. No doubt this same lack of public concern about unemployment today is reflected to some extent at least in the relatively small amount of funds available for research and in the decreased interest in studies in unemployment insurance.

Another factor which may account for the decline in interest is the emphasis placed in the past by scholars in the field of unemployment insurance on narrow and specialized technical and legal aspects of unemployment insurance. As a result, there has been a reluctance among some economists to undertake research in unemployment insurance. For example, a university economist who was invited to participate in a regional research conference became very concerned when he was advised that the conference related to unemployment insurance. He said that was too technical a subject for an economist. Fortunately, a number of recent publications in unemployment insurance stress the economic and social aspects of the subject.

Another of my colleagues expressed concern because the unemployment insurance program has made little headway with broad program improvements in the past decade or more. This record, in his opinion, has made it somewhat more difficult to develop a wider interest in research and makes it more important, in turn, to devote more serious attention and more imagination to efforts to stimulate such research efforts.

Renewal of Interest

Although there seemed to be general agreement among the academic people whom I contacted on this matter of decline in interest in social insurance and in unemployment insurance, there was a feeling that this trend will change. There was also a consensus that the Bureau of Employment Security and the State employment security agencies could be of assistance in bringing about the change more quickly and more drastically.

Since the governmental resources available for the task of improving academic relationships are limited, it is important that consideration be given to centering attention on that part of academia where there is likely to be the greatest response. The chief focus should be on teachers of social insurance and those who have indicated interest in the unemployment insurance program through writing, lecturing, or research. These individuals are usually located in departments of economics, schools of business administration, or in schools of social work or social service. Teachers of courses (in departments of economics or business schools) in labor problems, labor legislation, government, and business and public finance are another important group to be considered. The latter should be interested in particular in the unique features of the unemployment insurance Federal-State tax system.

The interest of teachers in other disciplines such as psychology, sociology, and political science should be explored whenever possible. The interdisciplinary approach to problems and programs is generally emphasized in academia. I noted recently, for example, a study of the effect of un-

employment insurance on reducing suicide rates. It must be recognized that problems relating to unemployment insurance increasingly involve a number of noneconomic considerations.

Attention should be given also to reaching the social science teachers in the high schools and also the writers of high school texts. A study of textbooks used in Indiana schools made by the Indiana Employment Security Division indicated that unemployment insurance was covered more extensively than the employment service, but the extent to which Indiana students were exposed to unemployment insurance was very limited. Lewis Nicolini, Director of the Indiana Employment Security Division, observed that perhaps this situation can be attributed to the decline in interest in social insurance among academicians.

I am summarizing below some suggestions for obtaining greater cooperation and assistance from the faculty members of our colleges and universities in securing a better understanding of the unemployment insurance program through their articles, research, and teaching. These proposals are based on discussions with State employment security agency staff and with academicians who are in the field at universities or who are doing research with foundation support. All of these academicians indicated great interest in developing closer relations with Federal and State agencies in the unemployment insurance field.

Participation in the Program

Representatives of the academic community who are competent in the unemployment insurance field should be utilized to a greater extent in the development of the program as members of advisory councils and as consultants. Father Joseph Becker found in his study of State advisory councils that university professors were chairmen of four of the six State agency advisory councils where the chairman played an active and influential part, in the States involved in his study. Since Father Becker emphasized that these professors owed their influence primarily to technical competence, this should be the basic qualification considered in selecting a representative from academia.

Meetings

A number of professors would like to see more meetings arranged for them with Federal and State officials in the unemployment insurance program. A favorable reaction was expressed by several professors contacted with respect to the employment security conferences of university consultants held in 1960 and 1961 at the Universities of Syracuse, Indiana, and North Carolina. These meetings covered both Employment Service programs and UI programs were attended by BES officials from Washington and the regional offices and by State employment security agency directors. The academicians actively participated in workshops at these conferences.

It should be recognized that the academic community is called upon to attend many conferences. It is essential, therefore, that meetings be carefully planned and be based on a "give and take" basis, so there will be active participation by the academicians. These meetings could be regional and involve a number of individuals as was done in 1960 and 1961. On the other hand, State agencies may wish to arrange meetings with smaller groups of academicians in their States especially to exchange views on current State problems. One professor suggested that the situation created by the failure to enact amendments to the Federal act might form a basis for seeking advice and research help from the scholars at national or regional meetings.

Consideration should be given to expanding the practice of inviting professors to attend and in some cases to participate in regular Bureau and State agency conferences in which they have an interest and could make a contribution. This is done to a great extent by chapters of the International Association of Personnel in Employment Security (IAPES). I have also met a few professors at the annual meetings of the Interstate Conference of Employment Security Agencies. Professors doing research in unemployment insurance are occasionally invited to attend Bureau or State agency executive staff meetings to discuss their findings. This has the advantage of giving administrators the opportunity of discussing results of research prior to their publication.

Federal and State employment security officials have an opportunity to become better acquainted with professors by actively participating in professional associations such as the Industrial Relations Research Association and by attending local and national meetings of these organizations. Consideration might be given to extending the current practice of arranging for the chief of reports and analysis from one State in each region to attend

the annual meetings of the American Economic Association and the Industrial Relations Research Association.

Services to Academia

Attention should be given to expanding the services being offered by the national and regional offices of the Bureau of Employment Security and the State employment security agencies to the academic community. Regional offices and State agencies should increase their efforts to make professors and college libraries aware of unemployment insurance publications and studies which may be of help to them. Mailing lists should be reviewed with respect to this matter. I have found the publications received from the Bureau's regional office in Chicago and from the Illinois and New York employment security agencies invaluable in my class in social insurance at Loyola University. A periodic newsletter, similar to the Bureau's weekly report of important developments, would be very valuable to professors. I find this report very helpful in my unemployment insurance and job market classes. Similarly, a listing periodically of publications in the unemployment insurance field would be extremely useful to teachers of social insurance and those interested in this field of study. Possibly teacher aids could be made available for classroom use. The academic community should be advised of the availability of regional office and State agency personnel for class lectures and for talks before university organizations. Students in my social insurance class found a talk by Commissioner Jack Cohen of the Illinois employment security agency to be very helpful to them. State agencies may want to encourage classes to visit local and State offices to observe operations.

Some States may have publications in which articles by professors could be published. It is my understanding that the *Unemployment Insurance Review*, which on occasion has carried helpful articles by professors, expects to interest more members of academia to write articles for this publication. This is one means of giving recognition to work being done by university people.

When I was Regional Administrator for the Bureau of Employment Security in New York, I found one of the most effective ways to reach high school teachers was to speak on programs arranged by the Joint Council on Economic Education. A directory of this organization listing the directors in a number of States can be obtained by writing to the Joint Council, 1212 Avenue of the Americas, New York, N.Y. 10036.

The Bureau of Employment Security has offered summer employment opportunities to selected faculty and students. State agencies that have not considered this practice may wish to do so. State civil service commissions have used professors who are familiar with the employment security program to serve on oral examining boards for personnel to be hired for this program. I had the opportunity recently to be a member of the New York State civil service examining board conducting oral tests for employment security agency positions.

Research

Action should be taken by the Bureau of Employment Security and State agencies to assist in reversing the serious decline in interest on the part of academia in unemployment insurance research. An article on the role of research in unemployment insurance in the August 1962 issue of the *Employment Security Review* emphasized the valuable aspects of the contributions of academicians toward advancing our understanding of the problems involved in unemployment insurance. This article states that such activity outside government provides a more detached viewpoint and is effective in securing a better public understanding of the program which is so essential at the present time. Greater use could profitably be made of the research competence of university faculty members in studies conducted by the Bureau and by State agencies. Possibly more faculty advisory committees should be established for this purpose.

The academic community should be drawn into employment security research conferences to a greater extent than at present. They should be advised of areas where research is needed and informed of data and computer equipment in State agencies which are available for university research. The BES publication "Suggested Unemployment Insurance Program and Financial Research Subjects" issued to the State agencies in April 1962 as an attachment to Unemployment Insurance Program Letter No. 656 is helpful in this respect.

It is encouraging to note recent publications in which research in unemployment insurance is discussed. Raymond Munts of the University of Wisconsin has an article on this subject in the November 1966 issue of the *Monthly Labor Review* in

which the need for adequacy studies is stressed. William Haber and Merrill Murray also emphasize in their book *Unemployment Insurance in the American Economy* the need for much more research and more current and extensive surveys on the subject of benefit adequacy. They state, "It seems almost incredible that, in a program expending billions of dollars in benefits, so little has been spent on studies of the adequacy of the benefits being paid." Merrill G. Murray discusses gaps in unemployment insurance benefit research in *Diminsions of Manpower Policy: Programs and Research.*[1] Finally, the *Selected Bibliography of Unemployment Insurance Program Research Studies, 1951–66* issued by the Bureau is a useful tool for university people involved in research and teaching in this field.

The problem of funds to finance badly needed research is a most difficult one. Unfortunately, the funds provided for in the House and Senate revisions of the Employment Security Amendments of 1966 are not available to carry out a comprehensive program of research in all aspects of unemployment insurance. The Bureau and State agency personnel can be helpful in working with academicians in developing research projects for submittal to foundations and to other sources for funds. One professor observed that if the Bureau in cooperation with State agencies could make available, or induce a foundation to make available, stipends for graduate students working on doctoral dissertations in unemployment insurance, it would have done the single most effective thing towards increasing academic interest in the subject. Perhaps the Bureau in cooperation with State agencies could set up an academic committee to select projects and screen applicants for research in unemployment insurance.

University Courses

Cooperative arrangements should be extended between the Bureau of Employment Security, State employment security agencies, and universities for the introduction of courses in unemployment insurance and related subjects of interest to the personnel in regional offices and in State employment security agencies. Provision made for courses under the CAUSE program, for training counselors and other State agency personnel, in recent years has brought the national and regional offices of the Bureau and State agencies together in a much closer relationship in curricula planning with the academic community. The Alabama experience in the use of universities in UI staff training was discussed in the May 1966 issue of the *Unemployment Insurance Review*. State chapters of the IAPES have had considerable experience in working with universities on arranging institutes and series of courses in employment security. Now that an excellent textbook is available in unemployment insurance by William Haber and Merrill Murray, another obstacle is removed to getting this subject into the curriculum. State employment security agencies and BES regional offices could assist universities in introducing such courses by assuring their cooperation in encouraging their personnel to enroll. Every effort should be made to secure funds for the payment of tuition for these employees for outservice training in unemployment compensation. Bureau and State agency officials can make contributions by serving on advisory boards of universities and colleges. Samuel C. Bernstein, Administrator of the Illinois Bureau of Employment Security, for example, has been very effective as a member of the Advisory Board of the Institute of Industrial Relations at Loyola University, Chicago.

Conclusion

Efforts made to bring about closer relations between academia and those who administer the unemployment insurance program in the Bureau of Employment Security and in State agencies can be mutually rewarding. The utilization of the tremendous resources, interests, and intellectual capacity in the universities can be of as great assistance in the future development of the program as it was at the time unemployment insurance was first introduced in the United States by the academicians. Universities can be considered as multipliers in terms of the contacts that the faculty people make with students who will be the future legislators, business and labor representatives, and the employees in the employment security agencies, and in the guidance and encouragement that they give to graduate students in research, many of whom will be the textbook writers of the future. The intimate knowledge engendered by recurrent exposures of academia to the problems of administration of the unemployment insurance program should be helpful to them as teachers, writers and directors of research, as experts testifying before legislative committees, and as members of important advisory groups.

[1] Merrill G. Murray, "Gaps in Unemployment Insurance Benefit Research," *Dimensions of Manpower Policy: Programs and Research*, Sar Levitan and Irving Siegel, editors (Baltimore, Md., Johns Hopkins Press, 1966), pp. 89–106.

Leonard P. Adams:

Do Buckley's UI Suggestions Go Far Enough?

The data Mr. Buckley presents indicate that there has been a decline in academic interest in unemployment insurance problems. The explanations offered are lack of funds for research, loss of interest as unemployment has declined in volume, lack of progress in modernizing unemployment insurance, and lack of interest in, or competence to deal with, the technical aspects of insurance. In my view, the explanations offered do not reveal some of the basic reasons for the loss of interest by academicians. Without a better understanding of the reasons for the decline in interest, the suggestions made for reviving it are likely to miss the mark or at least prove inadequate.

Economists and other academicians were originally interested in unemployment insurance for two primary reasons: First, it promised to be a dignified means of providing income maintenance for workers able and willing to work who had lost their regular earnings because of lack of demand for their services in an unstable economy. Second, it held forth the prospect of providing new ways and means of eliminating or reducing unemployment by providing more and better information about the nature of the problem, by stimulating employer interest in regularizing employment through experience rating (the Wisconsin approach), and by having the administrations of the State systems take the initiative in promoting the regularization and prevention of unemployment through all means at their disposal. Nearly all State laws contain provisions similar to those in the New York statute which has a paragraph (531) under title 3 "Administration" that reads in part as follows:

> Regularization of employment. One of the purposes of this article is to promote the regularization of employment in enterprises, industries, localities, and the state. The commissioner shall take such steps as are within his means for the reduction and prevention of unemployment and to promote the reemployment of all unemployed workers. To this end the commissioner may employ experts and may carry on and publish the results of any investigations and research which he deems relevant, whether or not directly related to the other purposes and specific provisions of the article.

It is my impression that, with some exceptions, the State administrations have not paid much attention to their mandate to regularize and prevent unemployment, except as these results could be attained through the activities of the public employment service; that administration has concerned itself in the postwar period with developing efficient means of processing claims and paying benefits and the solvency of the reserve funds; that few, if any, studies have been made of the preventive aspects of experience rating; and that their research units in unemployment insurance have become bogged down in processing large masses of statistical data and in preparing job market reports to meet current operating needs. Some funds for other studies have been made available to the States from time to time by the Bureau of Employment Security which itself, more often than not, provided the initial suggestions for the studies.

With the passage of the Manpower Development and Training Act in 1962 and the provision for funding research by academicians under grants and contracts, the initiative for promoting studies of unemployment has, so far as government is concerned, passed almost entirely into Federal hands. The unemployment and employment problems that can be supported under this legislation overlap those that could be studied under State legislation, but the types of studies funded by the Office of Manpower Policy, Evaluation, and Research have been concerned more with human resource development and utilization rather than problems peculiar to unemployment insurance.

If there is to be a revival of interest by academicians in teaching and research related to unemployment insurance, I believe this must come mainly by stimulating interest in and supporting studies on problems of regularizing employment,

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preventing unemployment, coverage, adequacy of benefits, and the effectiveness of experience rating. State agencies will have to take the initiative in providing supporting funds for faculty and students, in making data available, and in facilitating studies in any way possible. The choice of topics, design of research, and direction of the studies should be left primarily in academic hands. There are still plenty of unresolved questions of policy and program relating to unemployment insurance, and I believe that a good deal of academic interest can be aroused if the State and Federal officials responsible for administration wish to do so.

Harry Malisoff:

Financed Study Leading to Careers in UI Administration

Mr. Buckley's article offers a comprehensive survey of sound methods of reinvigorating and extending academic interest in unemployment insurance. Since some of his approaches will take longer to implement than others, I would like, in these remarks, to concentrate on one basic measure that is capable of yielding rich returns in the short run.

This is the encouragement through legislation of graduate curricula that embody unemployment insurance and related subjects and provide students with fellowships conditioned on their acceptance of subsequent employment in the field. In the event of nonacceptance, the fellowship grant would simply convert to a loan.

It will be recalled that such a measure was in fact incorporated in all the versions of the "Unemployment Insurance Amendments of 1966" (H.R. 15119, 89th Cong.), which failed of passage. At Brooklyn College, where we had already instituted an M.A. program with a concentration in manpower and social insurance, we felt that such provision would have served definitely to distinguish this area of study from other no less worthwhile areas in the student mind.

It seems to me that a substantial part of graduating and early-graduate students are not only not committed to any particular field but are actively looking—often inefficiently—for a sense of belonging and attachment to some sector of functioning society. Many of these are not able or inclined to embark on another long siege of study in the classical professions. These students represent a reservoir of potential personnel that could help fill the gaps caused by the increasing rate of retirement in employment security agencies.

To attract the uncommitted student, it is really not necessary to present employment security as an especially greater field than others. It is necessary, however, that we make it clear through the curriculum that its problems are today more challenging and important than ever. We must also, if we are to compete at all with Federal measures for grants to students and universities in other fields, be able to make them substantive offers by way of financed study leading to careers. The enthusiasm of the professor for his own field is no longer sufficient.

Toward the foregoing ends, I would urge that careful consideration be given to the possibilities inherent in the Public Service Education Act (H.R. 8175) and the Intergovernmental Manpower Act (H.R. 8234) that have been proposed to Congress by President Johnson. In his message on "The Quality of American Government," the President stated that the former bill "would provide support to universities seeking to enrich and strengthen their public service program." Should these approaches be inapplicable, I would suggest provision for employment security equivalent to that proposed for social workers in the pending "Social Security Amendments of 1967" (H.R. 5710).

Concentrating on recruitment from terminal M.A. students, as described above, does not mean neglect of inservice training and upgrading. Without special advertising, our manpower and social insurance courses brought in diverse students from related agencies in the New York area.

Finally, generation of student interest is bound naturally to increase the interest of the profes-

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sorial staff, especially inasmuch as their involvement can proceed expeditiously in their own locale and in the main line of their duty. Research projects, conferences, advisory positions, committee memberships, and other items mentioned by Professor Buckley would amplify the effect of the basic educational program.

That is because students like to see not merely the material opportunities but the fraternity of the field in action as well. This is what clinches the sense of belonging to a field as a lifetime proposition.

Raymond Munts:

Needed— A Redefinition of Unemployment Insurance

Mr. Buckley concentrates on one portion of the larger subject of the public image of unemployment insurance and what to do about it. Many of his useful suggestions are designed toward developing a better informed public through teachers and through responsibile writing in the field. Uninformed attacks on unemployment insurance and, almost as bad, sheer disinterest—these questions can also be examined on a broader base. Careful surveys and analysis of public attitudes toward unemployment insurance, followed by sophisticated diagnoses, and a broad-ranging communications program are called for. Top Government leaders cannot let their perspective on this be limited by concern over the reaction of a few influential Congressmen.

If we take the more limited question "Why have teachers and scholars lost interest in unemployment insurance and social insurance?" there are several answers. I agree that shortage of research funds in this area is a factor, that a good text has been missing but is now available, and that interest in unemployment follows the business cycle. I think I disagree that mathematical analysis in economics is a factor. In any case, none of these comes to the heart of the matter.

The big contribution of the academic community came when unemployment insurance was new, even before it appeared on the statutes. Intellectuals have an ambivalent status in this society, but they do have access to information and know what is going on here and abroad. Commons, Seager, Andrews, Epstein, Hansen, Brown, and many others were innovators. The best minds are always attracted to the frontiers.

I am suggesting that if the academic community has lost interest, historically speaking, in unemployment insurance, it may be because of a disposition of mind—like the inventor who put a sign over his workbench, "If it works, it's obsolete."

Yes, Becker got hooked, and so did the rest of us, either in the days when the program was new or, later, by inspired teachers who played creative roles in the formative years. Nearly all the teachers, civil servants, and scholars working in unemployment insurance can trace their involvement to the *early* years of the program. Nostalgia has set in, warm and human, but it is the dry rot of an innovating society.

Today there is great excitement in academia over guaranteed incomes, negative income taxes, Federal-State tax sharing, manpower planning, poverty problems, cost-benefit analysis, and program budgeting techniques. Interest lags in unemployment insurance because we are not sure of its relationship to some of these new developments, and yet these new objectives and techniques are searing the desks of government planners. What can be done to bring scholars into the fray?

It is not useful to be automatically critical or automatically accepting of new ways of thinking. Their truth is mixed in with a lot of chaff. New economists were not particularly helpful in the recent effort to put unemployment insurance into a more forceful role, and some poverty economists are mere doctrinaires. But I have seen instances where that drill-field exercise we call the war on poverty has forced young economists to think about the mixture of equities and economics built into our income maintenance systems. Well, what are unemployment insurance specialists doing to

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describe the role of unemployment insurance in terms of our new national objectives?

Social insurance innovators were just as threatening, in their day, to established ways of thinking as systems planners and econometricians now are to social insurance specialists. We sometimes forget that social insurance was invented to make the tent of government effort acceptable by putting together concepts that incorporated individualist values and private insurance principles. It was designed to overcome obstacles to change.

Every age has its own obstacles. The economy is now far more interrelated and sensitive to intervention. We invented national income accounts to get at the complexities, and we use the operating data from social security and manpower programs and all kinds of public and private surveys for the same purpose. Electronic processing is required to collect and apply all the available data to intricate policy questions. This is a different world from the days when an actuary and an institutionalist could together offer enough know-how for a major innovation in government. Unemployment insurance can play a more important role in our society if we will redefine it in current terms, in terms of new kinds of unemployment, new characteristics of the work force, and new strategies of intervention for an economic system that is both fair and workable.

We are indebted to Mr. Buckley for directing attention to this subject. There is no more creative challenge for government and academia than bringing intellect and power into a working relationship for the benefit of the governed. Better techniques of communication should be explored, but only the challenge of new objectives and new tools of analysis can galvanize a magnetic field.

Joseph M. Becker, S.J.:

Aid to Graduate Students for UI Research

Mr. Buckley's paper is comprehensive and balanced. And that leaves the commentator free to be selective in order to emphasize a particular point.

The paper quotes one member of academia as saying: "If the Bureau in cooperation with State agencies could make available, or induce a foundation to make available, stipends for graduate students working on doctoral dissertations in unemployment insurance, it would have done the single most effective thing toward increasing academic interest in the subject." Strong though this statement is, I believe it to be literally true.

The doctoral dissertation represents such a large investment of a student's time and comes at such a late stage in the student's development, that the choice of a dissertation topic normally determines the writer's major research interest for years after he gets his degree and influences his teaching emphasis for the rest of his career. And from the interested teacher will come interested students.

The typical graduate student is a *tabula rasa* when he begins his graduate work, and his interests can be turned into any one of many alternative channels. The typical graduate student is also relatively impecunious and is strongly influenced, out of necessity, by the availability of funds during this period of maximum dependency. The typical graduate student, finally, is presented with offers of financial aid if he will turn his interests in other specified directions—for example, toward studies of manpower or of poverty.

It is this combination of circumstances that leads inevitably to the conclusion expressed above.

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George F. Rohrlich:

A Possible New Departure for Joint UI Research

Louis Buckley, with his usual thoroughness, has truly "covered the waterfront" in his exploration of ways to enhance cooperation between the academic community and the administrators and planners of unemployment insurance. Rather than presuming to add further modes of cooperation, I would like to submit for wider consideration one possible focus for joint research whereby cooperative patterns successfully tried in the past could be revived to good advantage.

During my years with the Bureau of Employment Security, an important part of my duties consisted in carrying forward and developing a type of project that had been bequeathed me by my predecessor in office, the late Mike Wermel. With the imagination and vigor so characteristic of him, Mr. Wermel had devised a new avenue of research involving the Federal Bureau, the State agency, and a university in one joint undertaking. The objective was to assure the solvency of State unemployment insurance programs by projecting economic conditions and estimating the probable financial requirements under different combinations of economic and program developments. This type of joint project came to be known as "Benefit Financing Study." Groundbreaking at the time, it soon became widely accepted by the Federal and State administrators and technicians concerned and by the academicians involved in developing suitable economic and statistical techniques for the presentation and projection of relevant data on the State economy. It is probably not an overstatement to say that these studies have yielded considerable dividends in the way of greater insight into the mutual relationship between the unemployment insurance program and the economy at large, and far greater versatility with techniques of estimating the financial impact of various program amendments.

Subsequently, a somewhat similarly conceived tricornered approach was taken in launching the so-called Benefit Adequacy Studies. Again, a long series of studies ensued and considerable dividends have materialized from them in the way of information useful for program developers and economic analysts at large.

Perhaps the time is ripe to launch yet another form of cooperative study in which both Federal and State administrators and academicians could take considerable interest and which promises to yield valuable information far broader in scope and interest than either of the preceding types. I am thinking of pilot studies to develop suitable analytical approaches for the conceptualization and measurement of the social cost of unemployment, underemployment, skill deficiency and obsolescence, and conceivably yet other forms of manpower waste. The framework for this type of study would necessarily be broader, especially in its early explorative phase, than either of the two types mentioned above. It would have to take account not only of costs in the immediate and narrow sense, nor simply of present criteria of benefit adequacy; rather, the sum total of the costs to the State and to society of less than full and efficient utilization of manpower resources would enter into the scope of inquiry.

What would make this an extremely rewarding departure, both for administrators and program planners (especially in the Bureau of Employment Security and the Department of Labor, but also beyond) and for academicians, is the fact that very little is known so far on how to mount this type of inquiry. Thus, it would be difficult to establish a master plan for this type of research. Nor should the Bureau attempt to do so. But for once, we would be in the happy position of making the most of our "50 separate State laboratories" in that academicians working with and within different States, as well as with Federal technicians, could develop pilot approaches and trial methods of their own. The results could then be compared and evaluated both within Government and in the academic arena, and the best possible methodology

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evolved syncretically from those several attempts. Questions such as how to evaluate the savings and the costs to society of the good and bad economic effects of, and consequences induced by, different features of existing unemployment insurance and directly related (e.g., training or relocation allowances) programs—their benefit structure, financing, disqualification provisions, relationship to retraining and to worker mobility, impact on secondary workers, and so forth—and many other problems involved remain to be thought through.

The problem and promise of "social accounting" has of late come to occupy the minds of high-powered policy makers and researchers following the report, issued in February 1966, by the National Commission on Technology, Automation, and Economic Progress stressing the importance of a set of social accounts which would be complementary to our national income accounts developed in the past quarter century or so. At the present time, the Secretary of Health, Education, and Welfare has working for him a Panel on Social Indicators, men and women drawn from various specialties, both from within and outside of Government, whose task it is to work out selected gauges of progress in our many-sided quest for social betterment. The President is greatly interested in explorations of this type.

Whether or not the financing of such exploratory studies could come about from within the Department of Labor, through available research funds, is a question which an outsider is not qualified to answer. At any rate, it would appear that foundation money should be available for an attempt as promising as this one to shed light upon the consequences of social engineering upon social well-being.

Given the wherewithal, this would seem to be one possibility of breathing new life into a well-trodden, but perhaps somewhat fatigued, cooperative research pattern and a new and, I think, promising way to interest academicians in various institutions and in various parts of the country in the employment security (and related manpower) programs, their analysis in depth, and continued efforts of improvement.

John G. Turnbull:

Academic Interest in UI Still Exists

There *is* little doubt of waning "academic" interest in economic security in general and unemployment insurance in particular. And Louis Buckley and Harry Malisoff have incisively noted relevant causal factors. As far as curricular interest and offerings are concerned I do not see any reversal of direction. For one thing, at the undergraduate level, given changing patterns of emphasis, less rather than more specialization appears likely. At the graduate level, the subject area just does not hold the interest it once did, and again I see no change which would lead students away from, say, econometrics and economic development and back to economic security. (Sitting for the last 3 years as a collegiate administrator, my experiences tend to confirm the above-stated views.)

But this does not imply that there is no interest or that there is nothing that can be done. Far from it. As to interest: Of the last five Ph. D. candidates in labor economics at the University of Minnesota, three wrote dissertations involving unemployment insurance in one phase or another. Again, we have found that day school student interest in economic security courses has held up well, and adult continuing education enrollments continue at satisfactory levels. This is not to suggest that the subject has the appeal of many other more fashionable ones. But one may conclude that, for a "specialty" subject such as this, undergraduate, graduate, and adult student interest has by no means died.

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As to academic faculty interest and participation, the same trends are discernible. Many economists, I suspect, view themselves as "political economists." But one can specialize in, say, monetary and fiscal policy or international economics without a detailed knowledge of tax law or of tariffs. One functions primarily as an "economist." In unemployment insurance areas, to the contrary, the presumption seems to hold that one needs to be quite fully conversant with a myriad of institutional details. This is not true; two very interesting research contributions on the economic impacts of unemployment insurance have been made by George E. Rejda and Wayne Vroman, and I do not suspect either regards himself as an institutional specialist. Hence there are research opportunities—many, in fact.

Service in advisory capacities also exists, such as on State councils or commissions, and this can be most rewarding. But here the economist (or other disciplinarian) soon finds that his contribution may well be limited; one passes from, say, economics to "political negotiation" in short order. Hence the economist *qua* economist needs to assume a different role, and some may find this something other than bargained for.

What suggestions might we make? First, if the "users" of the product (i.e., the unemployment insurance administrators) want to interest the academicians, they will need to take more of the initiative; the educator is likely to be diffident about pushing himself forward. This initiative includes even such mundane items as mailing lists. The late Joseph Borus did as much as anyone to keep up my interest—through the simple technique of seeing that I received relevant materials he thought might be of use. Second, "conferences" and similar activities—particularly at the State or regional level—are useful. A shortage of funds may not be as much of a problem as envisaged. But careful structuring is required, and the academic specialist should be used for what he is and should not be expected to become conversant with "administrative" and other issues.

So I would conclude that the academic interest is not dead and that it can be nurtured into regrowth, even though it may never develop the appeal of, say, the activity undertaken by the Council of Economic Advisers.

Unemployment Insurance Decisions*

Case of the Missing Pages

Florida.—The claimant, a power sewing machine operator, was employed by a manufacturer of brooms and mops. Each operator was required to maintain a daily log of the type of work he or she produced. There was no specific requirement as to the type of paper to be used in keeping this report; even a piece of brown paper bag would suffice. The claimant was in the habit of keeping her record, in carbon duplicate, in a booklet similar to the kind of log the Interstate Commerce Commission requires interstate drivers to keep. During lunch hour of her last day of work, someone destroyed the pages in her logbook. She did not discover this until late in the day, and quickly wrote her daily report on a piece of the toilet tissue she always kept on her machine to clean it. The employer's corporate secretary took this use of the tissue as an affront and a display of disrespect to the corporation, and the claimant was discharged. The referee, in granting benefits, said that at most the claimant's action could only be viewed as a matter of poor judgment without thought. (Decision Docket No. 66–3298U, affirmed by Board of Review Decision No. 66–660, Dec. 20, 1966.)

Power of the Press

Minnesota.—The claimant was an industrial sales representative for an Iowa corporation that collected and processed scrap metal and his territory included the State

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of Minnesota. He filed as a candidate for a Minnesota State public office, and as a result his name was listed on the primary ballot. At a meeting between the claimant, a corporation officer, and the St. Paul office manager, the former was advised that when the public is made aware of an employee's political affiliations through any form of publicity release, the corporation must request his resignation. The claimant agreed to the stipulation that he not use any news media to call attention to his candidacy. But subsequently he had to be reminded several times to remove a political sticker from the company-owned car he used. Further, the claimant held a news conference and publicly criticized one of the gubernatorial candidates and he publicly challenged another to a debate. He also publicly charged a State office holder with abuse of his office. The challenge and the charges, along with the claimant's candidacy for public office, were contained in releases printed by the daily newspapers. Upon hearing of these releases, the employer terminated the claimant's employment.

While the claimant insisted that his prior political experience was one of the reasons he was employed by the employer, the Commission pointed out that the claimant had agreed to refrain from using various forms of publicity as a method of calling attention to his candidacy, and his material breach of that agreement was willful disregard of his employer's interest and constituted misconduct connected with his work. (Appeal No. 1661–B–66, Jan. 5, 1967.)

Eager for Beaver

New Mexico.—The claimant, an operator of heavy equipment for 30 years and experienced also as a natural gas serviceman, had contacted only three road contractors and a molybdenum mine for work during the 2 weeks prior to December 17. He was preparing, without pay, a skating pond for his hometown. This required that he be on the watch for a beaver which was damming a water ditch and cutting off the supply of water to the pond. In order to either capture or destroy the beaver, it was necessary for him to "ride" the ditch to try and locate the animal. On December 19, the claimant was placed on the town payroll as caretaker of the pond at $250 for the season.

The appeals referee, in holding that the claimant was not available for work and not actively seeking work, pointed out that although the claimant was not being paid for his services to the town during the period involved, he was engaged in an activity which kept him from going out and seeking work in his regular line. Further, since construction work was practically at a standstill through the cold months, the claimant should have diversified his search for work. (Appeal No. 73–67–U, Feb. 6, 1967.)

"Doggie Bags" De Luxe

Wisconsin.—The claimant, a restaurant cook-waitress, knew of the employer's rule that employees must pay for food eaten on or removed from the premises. Although the employer had known the claimant frequently took "doggie bags" home with her, he had assumed that they contained only scraps for her dog. It was found, however, that she used this means to take prepared food home. On one occasion she intentionally broke a hamburger into pieces, putting them in one of these bags. On various other occasions during the last 2 or 3 months of her employment, she prepared more hamburgers than she had orders for and placed the extra ones in one of these bags. She also repeatedly violated the rule that she must pay for food she consumed on the premises and another rule providing that any food which was not served after being prepared was to be placed in the cooler for the employer's inspection. Her discharge for violation of these rules was held to be a discharge for misconduct connected with her employment. (Appeal Tribunal Decision No. 66–A–2832, affirmed by Commission Decision No. 66–C–594, Dec. 30, 1966.)

Beer Break

Wyoming.—A construction foreman was discharged when he was found in a bar during working hours and, the employer alleged, ". . . of course was not performing duties required of him." The claimant testified that his duties required him to travel from one part of town to another to oversee two different jobs. On his last day of employment, during regular working hours, his superintendent had found him in the bar. The claimant agreed that he had "one or two beers." He also agreed that the superintendent had informed him on an earlier occasion that drinking on the job during working hours was prohibited. However, he contended, "I see no difference in stopping in a bar for a break and stopping at a cafe for a coffee break." The appeals examiner held that the claimant was discharged for misconduct connected with his work. (Decision No. 2193–AT–67, Jan. 18, 1967.)

Trends in the Economy*

MARCH DATA on the economy showed a continued moderation in the pace of overall activity. Although key measures, including gross national product, industrial production, construction outlays, housing starts, and total employment, moved up somewhat, the increases were so narrow that only slight improvement from the preceding months was indicated. Two bright developments were the large gains in personal income and retail sales. The personal income advance was especially noteworthy, since it did not hinge heavily, as in the past 2 months, on government pay and welfare-type income.

The March rate of unemployment edged down from the 3.7-percent rates of the 3 prior months to 3.6 percent of the labor force. The rate has remained almost steady during the 1967 first quarter, since the size of the labor force has tended to follow closely changes in the employment levels. The rapid inflow of jobseekers during much of the past year, when employment levels were rising sharply, was composed largely of women and teenagers, who tend to be extremely sensitive to job demand.

Business Activities

Gross national product increased in the first quarter of 1967 by $5 billion to $764.3 billion—the smallest quarterly gain since the trough of the 1961 recession. Virtually all of the rise was due to price increases, as the annual rate in constant (1958) dollars ($657.2 billion) was unchanged from the 1966 fourth quarter.

However, the small rise in total GNP during the 1967 first quarter does not indicate a lack of strength in the economy. Final demand (GNP excluding change in inventories) showed an impressive $15.9 billion rise, more than doubling the gain in the preceding quarter and representing the third highest quarterly increase in the recovery period. (The highest gains were $18.3 billion in the 1966 first quarter and an increase of $16.2 billion in the fourth quarter of 1965.)

The large increase in final demand during the 1967 first quarter partly reflected heavier consumer spending. Consumer purchases in this quarter rose by $8.1 billion, compared with a gain of $4.2 billion in the preceding quarter. Increased spending for nondurable goods was five times greater than the expenditure gain in the 1966 fourth quarter. Durables purchases lagged—falling off by $1.5 billion (reflecting to a large extent declining auto sales). Along with heavier purchases, consumers also saved more money; individuals saved 6.1 percent of their after-tax income, compared with 5.9 percent in the fourth quarter and 5.4 percent a year earlier.

Government purchases of goods and services continued to rise briskly, up by a $7.1 billion annual rate, only a shade below the record quarterly gain of $7.2 billion in the third quarter of 1966. About 63 percent, or $4.5 billion, of the increase was attributable to Federal spending, with defense expenditures advancing by $3.3 billion. Following a 6-percent decline in the previous quarter, Federal spending for goods and services other than defense moved up sharply (7 percent).

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State and local government outlays also increased, at a slightly faster pace than in each of the four quarters of 1966. Compared with a year earlier, State and local government spending was $8.9 billion higher.

A sharp decline in gross private domestic outlays (down $11 billion) reflected a steep drop in inventory accumulation. Fixed investment was virtually unchanged from the preceding quarter, with a small rise in construction for business purposes almost offsetting a decline in purchases of producers' durable equipment. Outlays for residential building were at the same levels of the preceding quarter.

Compared with a year earlier, total GNP (in current dollars) was $43.1 billion or nearly 6 percent higher; in constant (1958) dollars, the increase came to 2.6 percent.

The *industrial production* index was virtually unchanged in March, following declines in each of the 2 previous months. The index in both March and February rounded to 156 percent; the March figure was about 3 points, or 1.8 percent higher than a year earlier.

Output of commercial and defense equipment, as well as that of some industrial materials, showed slight gains over the month. But the production of most household goods, including furniture, television sets and appliances, declined further, as did the output of freight and passenger transportation equipment.

Automobile production totaled 682,600 assembiles—down 25 percent from a year earlier and the lowest number for the month since 1963. For the first quarter of 1967, auto output, at 1,872,000, was about a fourth under the year-earlier number and the lowest quarterly figure since 1962.

Steel production in recent months has shown a small but steady slippage. In the 1967 first quarter, the industry poured 32 million tons, as compared with 33 million in both the fourth quarter of 1966 and the first quarter of 1966.

For all of manufacturing, the production index for the January–March period averaged 158.8 percent of the 1957–59 base, down by 1.5 percent from the fourth quarter but 2.8 percent higher than the 1966 first quarter figure. The indexes for both mining and utilities moved slightly higher over the quarter; compared with a year earlier the indexes were up by 3.8 percent and 6.6 percent, respectively.

New orders for durable goods, at $22.2 billion (seasonally adjusted), were little changed from February, but were well below the $24.9 billion a year earlier and the record $25.3 billion set in September 1966. Machinery and transportation equipment orders were up substantially over the month; this rise offset reductions in new bookings for steel and for some defense items. The drop in primary metals orders was the steepest—some $400 million from February and $1 billion below the March 1966 level.

Factory shipments of durable goods rose 1.2 percent to $22.9 billion. Following declines in both January and February, the gains reflected modest increases in virtually all major industry groups except primary metals. At $3.6 billion, March primary metals shipments were off by $100 million from both the month and the year before. However, machinery shipments and transportation equipment shipments were higher than in February by $100 million and $200 million, respectively.

Since shipments of durables rose more than orders, the *backlog of durable goods orders* declined for the second month in a row. The unfilled orders backlog at the end of March was at a seasonally adjusted $74.3 billion, down by $700 million from the February figure. About half of the reduction was attributable to the steel industry. The machinery backlog slipped by $200 million, while that of transportation goods showed a slight gain.

Following a sharp February decline, *private housing starts* moved up in March by 1.7 percent to 1,171,000 units. This was 25 percent under the 1,569,000 units started a year earlier but 38 percent above the recent low of 848,000 units in August 1966. The over-the-month increase occurred in all geographic areas except the North East which continued to show a reduction.

Building permits for future construction were issued at an annual rate of 924,000 in March, up by 3.3 percent from February but 27 percent below the year-earlier level. The seasonally adjusted annual rate for single family dwellings moved up by nearly 2 percent from the preceding month, while the rate for units in large apartment projects (housing five or more families) was up by 7 percent. Units in the two- to four-family homes edged down somewhat.

The March volume of *new construction put in place* rose to $73.3 billion annual rate (seasonally adjusted) from the level of $72.9 billion in Febru-

ary; a year earlier the rate was $79.5 billion. All of the rise between February and March was in spending for private construction, mainly nonresidential building. Residential outlays were unchanged from the previous month. Compared with a year earlier, total outlays were $6.2 billion lower, with all of the drop in the residential sector. Spending for public construction was about $4 million higher.

Personal income in March scored a large increase, with the major portion of the rise in the key wage and salary income category. Total income (seasonally adjusted annual rate) came to a record $613.1 billion—up by $3.4 billion from February and $44.1 billion higher than a year earlier.

The March advance exceeded a gain of $2.25 billion in February; the step-up in the March rate of increase was mainly in wage and salary disbursements, which had showed a gain of only $500 million in the preceding month. Among the individual manufacturing industries, the largest payroll gains were in food, textiles, rubber, machinery, lumber, and stone-clay-glass. Payrolls declined in the primary metals, transportation equipment, and apparel industries.

Among the nonmanufacturing industries, the largest gains occurred in State and local government, reflecting strong increases in employment. Payrolls in construction and trade were off somewhat, as employment in these industries showed small reductions.

Transfer payments rose by three-quarters of a billion dollars, due to the continual growth in medicare payments.

The March increase in personal income carried the total for the 1967 first quarter to a seasonally adjusted annual rate of $610 billion—some $11.7 billion, or 2 percent, higher than the rate in the final quarter of 1966.

Retail store sales in March were vigorous, following a year of near quiescence. At a seasonally adjusted $26.5 billion, sales were 3 percent higher than in February and 4 percent above a year earlier. A major factor in the over-the-month rise was higher sales volumes in durable goods stores including the auto group. Durables sales moved up by 4 percent, with autos and related products rising by nearly 24 percent. However, durables sales were still below the year-earlier volume by 4 percent, with auto sales down by 10 percent.

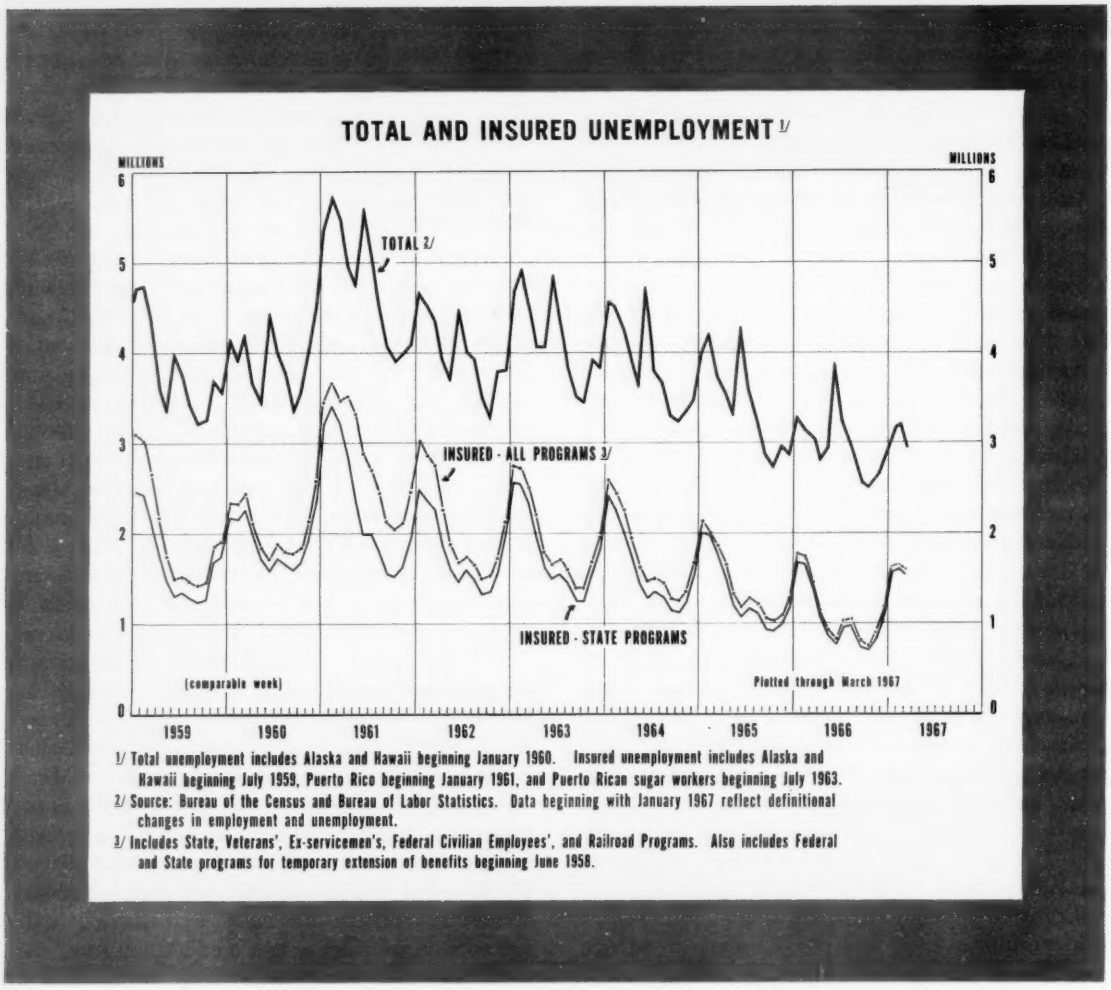
Nondurable goods sales were 3 percent higher than in February, partly reflecting heavy apparel shopping for Easter, which came 2 weeks earlier than in 1966. The nondurables gain was exceptionally sharp, exceeded in only 1 month—June 1966—in the past 2 years. Compared with a year earlier, nondurable goods sales were 8 percent higher.

Employment

Total civilian employment showed a fractional rise during March, but the increase was less than expected at this time of year. The seasonally adjusted level, at 73.7 million, was 400,000 below February and compared with 72.3 million a year earlier. The over-the-month decline in total employment (seasonally adjusted) about matched the reduction in the labor force, resulting in only a fractional change in the unemployment level. The unemployment level has shown little change in the past 3 months. The urgent demand for workers, evident last year, has weakened, and this development has caused many workers to drop out of the labor force instead of actively seeking new jobs. Another factor retarding the employment growth during the month was the inclement weather in many parts of the Nation, which slowed the seasonal rise in outdoor work.

Nonagricultural employment trends in March continued weak in many industries, notably manufacturing, trade, and construction. The growth in payroll employment (averaging about 300,000 per month) from October through January, slowed sharply in February and was virtually halted in March. An increase of 100,000 from January (the smallest 2-month gain in some 4 years except for the drop in the 1964 auto-strike period) carried the March total to a seasonally adjusted 65.5 million. Most of the net 23,000 increase from February occurred in the nonmanufacturing sector, notably government and services. Government employment (seasonally adjusted) advanced from February by 72,000, with almost three-fourths of the rise in the State and local government sector. In the services industry, employment rose by 56,000. These increases, however, were largely offset by employment losses in trade (48,000), manufacturing (35,000), and construction (33,000).

For the 1967 first quarter as a whole, a slower pace of economic activity was indicated by the monthly trends in the manufacturing employment levels. March factory employment (seasonally adjusted) was 115,000 under January—the sharpest 2-month decline since the 1961 recession. In the


TOTAL AND INSURED UNEMPLOYMENT 1/
MILLIONS
MILLIONS
6
5
4
3
2
1
0
TOTAL 2/
INSURED - ALL PROGRAMS 3/
INSURED - STATE PROGRAMS
(comparable week)
Plotted through March 1967
1959
1960
1961
1962
1963
1964
1965
1966
1967
1/ Total unemployment includes Alaska and Hawaii beginning January 1960. Insured unemployment includes Alaska and Hawaii beginning July 1959, Puerto Rico beginning January 1961, and Puerto Rican sugar workers beginning July 1963.
2/ Source: Bureau of the Census and Bureau of Labor Statistics. Data beginning with January 1967 reflect definitional changes in employment and unemployment.
3/ Includes State, Veterans', Ex-servicemen's, Federal Civilian Employees', and Railroad Programs. Also includes Federal and State programs for temporary extension of benefits beginning June 1958.

comparable period a year earlier, the total rose by 275,000. The January–March loss was shared about equally between the durables and nondurables sectors. In durables, declines occurred in 8 of the 11 major industry groups, while one—lumber—was unchanged. The only increases were in ordnance and instruments, both of which are defense oriented. The primary metals industry showed the heaviest loss—30,000.

The nondurable goods total was off by 56,000 (seasonally adjusted) from January through March, with all industry groups except paper, printing, and food products showing losses. The latter two industries are essentially noncyclical. The largest decline was in apparel (40,000).

The *average workweek* in manufacturing (seasonally adjusted) during March was 40.4 hours, compared with 40.3 hours in the preceding month and 41.5 hours a year earlier. *Average hourly earnings* were $2.79—1 cent lower than in February but 11 cents higher than in March 1966. *Average weekly earnings* came to $112.44, compared with $111.48 in February and $110.95 a year earlier.

Unemployment

Total unemployment moved down more than seasonally in March, falling by 200,000 to 3 million—the same level as a year earlier. Most of the decline occurred among teenagers.

The Nation's unemployment rate showed a change for the first time in 3 months, edging from 3.7 percent in the December-February period to 3.6 percent. This was the lowest rate for the month since 1953, when it was 2.9 percent.

The unemployment rates for adult men, at 2.3 percent, and adult women, at 4.1 percent, were little changed from the preceding month, but the jobless rate for teenagers returned to near the January figure. In February, the rate had climbed from January's 11 percent to 13.2 percent.

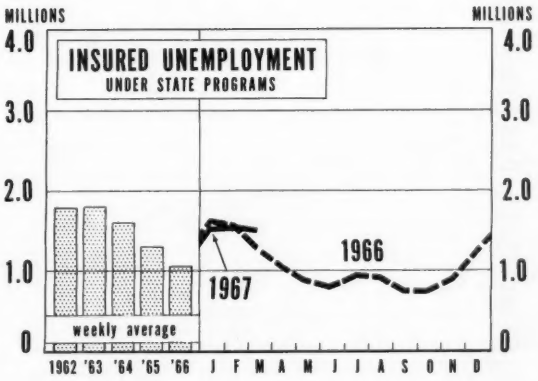
The nonwhite unemployment rate was 7.4 percent in March, compared to a rate of 3.1 percent for whites. In the first 3 months of 1967, the nonwhite rate averaged 7.0 percent, or 2.2 times as high as the rate for white workers.

Insured Unemployment*

INSURED UNEMPLOYMENT under State programs usually falls by some 8 percent in March, but this year the drop was less than seasonal; the volume moved down by 3 percent, or 50,000, to a weekly average of 1.5 million. Although the onset of improved weather in some States caused a pickup in construction and other outdoor activities, inclement weather in a few other States, along with the widespread effects of a labor dispute in an auto-parts plant, reduced to some extent the magnitude of the typical spring reduction. Compared with a year earlier, the volume in March was almost one-fourth million higher.

Insured unemployment under the two Federal programs also moved down during March. The average weekly number of unemployed ex-servicemen under the UCX program dropped from 24,700 to 24,000, while the total of jobless Federal workers under the UCFE program dropped from 23,600 to 22,300. A year earlier, these volumes were 27,200 and 25,700, respectively.

The national rate of insured unemployment moved down from 3.4 percent in February to 3.3 percent in March; a year earlier, the rate was 2.9 percent. Twenty-four States reported rates above



the national average, with the highest rates in Alaska (12.0 percent), Puerto Rico and North Dakota (6.5 percent each), Montana (6.2 percent), and Nevada (6.0 percent). Of the States whose rates were below the national average, Virginia posted the lowest (1.3 percent), followed by Texas (1.4 percent), Florida (1.5 percent), District of Columbia (1.6 percent), and Iowa (1.8 percent).

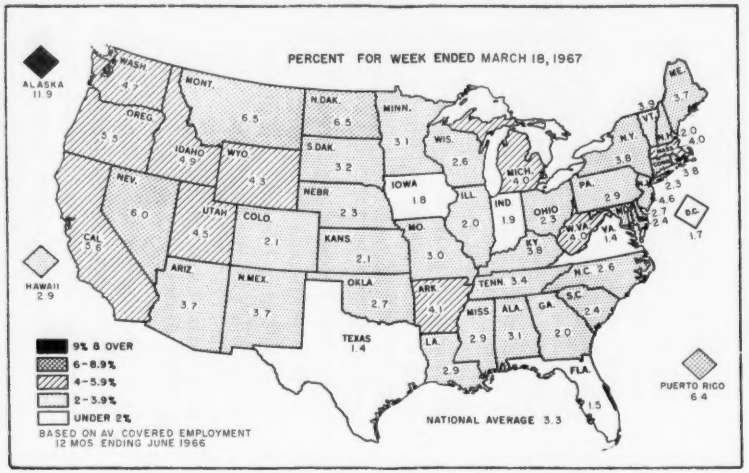
Joblessness Lower in Most States

In March, insured unemployment moved down in the District of Columbia, Puerto Rico, and 40 States. Reductions in most States were moderate, with the largest downswings occurring in California, Wisconsin, Washington, and Oregon.

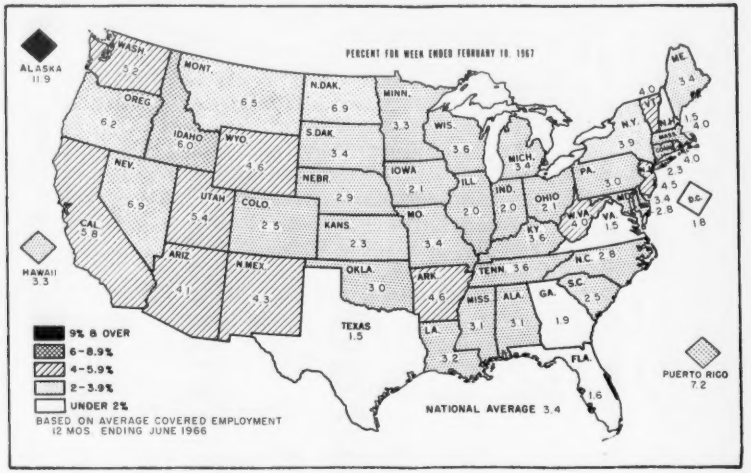
**Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.*

STATE INSURED UNEMPLOYMENT AS PERCENT OF AVERAGE COVERED EMPLOYMENT

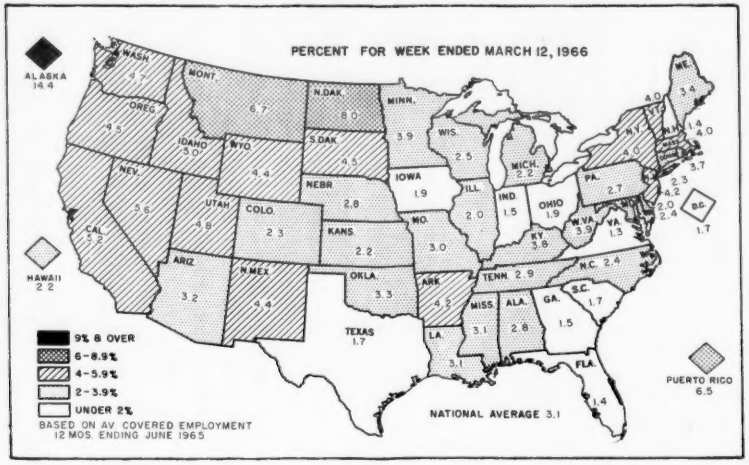
LATEST MONTH



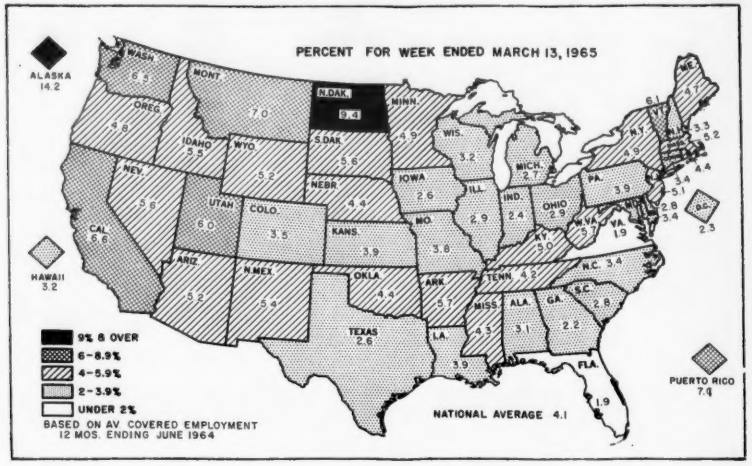
PREVIOUS MONTH



ONE YEAR AGO



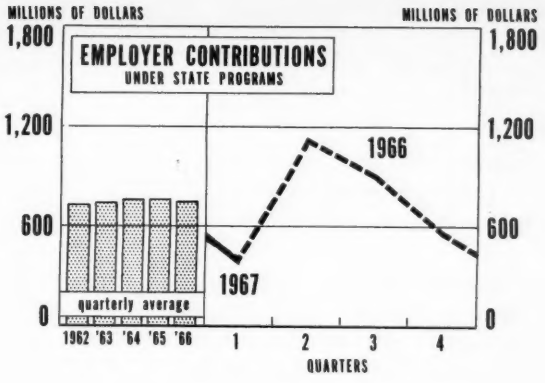
TWO YEARS AGO



California's decline of 8,600—the largest in the Nation—stemmed primarily from a pickup in food processing, along with increased hiring in trade and public utilities. Wisconsin's decline of 6,500 mainly reflected recalls of auto workers affected by the auto-parts plant dispute in another State. Improvements in the lumbering industries were responsible for Washington's drop of 4,300 and Oregon's drop of 4,000.

Of the States reporting higher insured joblessness, Michigan's advance of some 11,200 was the most substantial. Increases of 2,600 and 2,500 occurred in New Jersey and Ohio, respectively. The upswing in Michigan and Ohio stemmed primarily from the secondary effects of the labor dispute at an auto-parts plant. Michigan also showed higher unemployment among workers from the primary metals and food processing industries. In Ohio the rise stemmed from additional joblessness among trade, construction, and rubber products workers. New Jersey reported increased unemployment among workers from a wide variety of durable goods industries and from the apparel industry.

Compared with a year earlier, insured joblessness was higher in 41 States, the District of Columbia, and Puerto Rico. Five of the large industrial States reported increases of more than 10,000—Michigan (50,300), California (33,100), Ohio (17,200), Pennsylvania (15,800), and New Jersey (12,500). These increases were largely attributable to cutbacks at auto assembly plants and lower construction activity. In addition, Michigan and California reported increased unemployment among workers from the primary metals, electrical equipment, services, and trade industries. In Pennsylvania and Ohio, additional joblessness was reported among steel workers, while New Jersey



noted an upswing among workers from the apparel and electrical machinery industries.

Only minor declines in insured unemployment were recorded over the year, with Texas and Minnesota reporting the largest, 2,200 and 2,080, respectively.

Total Benefits Rise

In March, some $270.1 million was paid out to the insured jobless under all regular unemployment insurance programs, representing an increase of about $39.2 million over the month and $30.6 million over the year. Of the payments this March, $257.5 million was disbursed under State programs—$38 million above the February amount. Under the two Federal programs (UCX and UCFE), payments during the month amounted to $8.4 million; payments under the railroad programs amounted to $4.2 million.

The average weekly benefit check for the totally unemployed in March was $42.07—the highest average on record; a year earlier, weekly benefit payments under State programs averaged $39.83. Among the States, the highest weekly benefit

Week ended—	Initial claims [1]		Insured unemployment [1]	
	1967	1966	1967	1966
February 4	274,400	318,700	1,534,000	1,668,800
February 11	276,300	255,000	[2] 1,557,200	1,640,300
February 18	247,900	208,900	1,579,100	1,546,400
February 25	248,300	195,400	1,624,900	1,544,600
March 4	326,800	198,200	1,620,500	[2] 1,470,700
March 11	240,600	176,900	1,577,500	1,375,600
March 18	225,300	162,200	1,525,000	1,290,500
March 25	215,400	160,400	1,504,900	1,223,800
April 1	223,600	161,100	1,469,600	1,148,300
Weekly averages				
February	266,900	238,500	[2] 1,582,400	1,590,200
March	239,300	171,100	1,532,500	1,301,100

[1] Refers to State programs.
[2] Revised figure.

Activity [1]	Number or amount March 1967	Percent change from— February 1967	Percent change from— March 1966	January–March cumulative (in thousands) 1967	January–March cumulative (in thousands) 1966
Initial claims [2]	1,060,800	−2.4	+38.0	3,494	3,153
Weeks claimed [2]	6,989,000	+10.1	+11.7	20,216	19,736
Insured unemployment (weekly average) [2]	1,532,500	−3.2	+17.8	1,557	1,504
Beneficiaries (weekly average)	1,374,500	+1.9	+8.0	1,333	1,335
Benefits paid [3]	$257,488,200	+17.3	+14.2	$698,652	$651,302
Claimant exhaustions	75,900	+18.4	−9.2	207	237

[1] Data relate to State programs only.
[2] Includes agent State claims taken by the Virgin Islands; also includes data under Puerto Rico sugarcane program.
[3] Monthly data represent gross amount; cumulative data represent net amounts.

checks were paid in California ($50.79), Hawaii ($49.56), Wisconsin ($48.79), Colorado ($48.68), Michigan ($47.97), Connecticut ($47.85), Delaware ($46.07), Massachusetts ($45.95), and Illinois ($45.56). The lowest benefit checks were issued in Puerto Rico ($17.76), Mississippi ($26.38), and West Virginia ($26.72).

Approximately 8 percent of all unemployment benefit checks were for partial unemployment; the average payment was $24.72, compared with $23.60 a year earlier. As usual, the proportions of persons receiving partial benefit checks varied markedly among the States, ranging from highs of 20.3 percent in North Dakota, 17.9 percent in Maine, 17.7 percent in New Hampshire, and 16.8 percent in Missouri to lows of 2.6 percent in Nebraska and 3.3 percent in three States—Connecticut, Indiana, and Minnesota.

Exhaustions

During the month, some 75,900 persons exhausted their benefit rights under the State programs—11,800 more than in February. However, the number of exhaustees this March was 7,700 under the year-earlier total and represented the smallest volume for the month since 1945. Exhaustees accounted for about 6 percent of the 1.3 million persons who ceased filing for benefits under the State unemployment insurance programs. Presumably, the remainder of the dropouts had returned to work or had left the labor force.

Selected Unemployment Insurance Statistics, State Programs, March 1967

State	Initial claims received 1/ 2/	Weeks claimed 2/	Number of insured unemployed (weekly average) 3/	Number of beneficiaries (weekly average) 3/	Average weekly payments for total unemployment	Number of final payments 4/	Benefits paid 5/	12 months ending March 1967 (in thousands)		Funds available March 1967 7/ (in thousands)
								Benefits paid 6/	Collections and interest	
Total	8/1060760	8/6988984	8/1532450	1374486	$42.07	75918	$257488196	$1819899	$3366832	$9625365
Alabama	10964	79526	19522	16163	31.13	1296	2266785	17192	31392	104205
Alaska	1690	20605	4895	4525	43.90	183	907205	6640	10674	10/ 19318
Arizona	7080	49529	10653	9163	38.20	594	1592309	10619	18229	72320
Arkansas	8158	67980	14350	12360	29.65	879	1648752	10358	17935	40094
California	169234	1171325	252864	233187	50.79	13118	5347078	429694	579852	755021
Colorado	5051	37688	8384	8202	48.68	409	1782084	9694	18105	69877
Connecticut	12758	93843	20334	18859	47.85	1024	4083981	25726	66930	244399
Delaware	2169	21899	4478	5679	46.07	265	1165119	6964	6663	23898
Dist. of Col.	2251	25708	5300	4676	44.94	210	961042	7089	11385	68576
Florida	11951	78410	16843	9538	29.25	997	1250396	17725	40311	209927
Georgia	13948	84394	18388	14510	35.25	1625	2184515	15323	43020	229154
Hawaii	2671	27471	5988	5397	49.56	336	1177472	9135	11797	25906
Idaho	3149	30698	6754	6310	44.84	948	1231621	6910	10042	34821
Illinois	38784	276790	59169	57585	45.56	4176	11767964	71297	101019	566648
Indiana	22075	104424	25653	23593	36.45	2465	3892877	22315	61941	225904
Iowa	4349	44443	9426	9140	43.87	614	1765398	8245	13930	122785
Kansas	5589	39744	8109	7815	42.45	437	1495384	9282	19749	74185
Kentucky	13015	91144	20029	15545	37.02	671	2545862	14998	28668	137494
Louisiana	9041	77437	18452	18048	36.11	1139	2924253	20368	42247	150459
Maine	4791	33886	7653	6877	36.45	698	1066950	7308	10874	38683
Maryland	13734	88603	20722	21337	40.69	625	3835451	22521	52211	204741
Massachusetts	41076	300932	65085	60549	45.95	3409	12038909	87554	149169	280271
Michigan	88658	391143	92134	68663	47.97	3590	14731779	94801	199384	10/ 594889
Minnesota	10563	127645	26440	24336	40.95	945	4515463	20696	44612	48555
Mississippi	6651	46239	10262	8288	26.38	430	987350	6122	15752	74375
Missouri	29369	156127	32757	27051	39.01	1169	4401701	29543	54551	262851
Montana	2958	30555	7403	7246	31.86	433	1065714	5350	6336	19487
Nebraska	1980	27108	5799	6587	36.74	425	1099153	5770	9368	44525
Nevada	4028	32033	7633	7665	43.04	601	1488009	12025	11811	26590
New Hampshire	3563	14393	3482	2454	39.04	38	402209	1948	7768	37247
New Jersey	55590	373372	80352	80458	41.83	5682	15032644	106060	158369	349927
New Mexico	3473	28279	6564	6677	31.25	221	939843	6125	8206	36877
New York	163665	950500	205507	196985	44.30	6714	38422932	308574	478375	1431073
North Carolina	23868	125010	31026	24156	27.89	1033	2979415	21207	54632	280877
North Dakota	975	21141	5083	4286	41.88	120	826073	4925	5317	5896
Ohio	41643	279713	60101	50349	41.56	1410	9474663	51553	200828	516917
Oklahoma	6004	54317	11668	9742	27.53	744	1213936	10011	17022	56087
Oregon	15648	123234	26041	23643	37.38	894	3989861	24562	37176	107936
Pennsylvania	75897	428495	91617	82177	37.90	2126	13449407	86219	319359	10/5 41443
Puerto Rico	8/8869	8/82983	8/20108	9228	17.76	2380	789502	9/156822	24371	65601
Rhode Island	8261	47305	10094	9319	41.97	666	1709354	11638	21486	63637
South Carolina	10906	60640	13301	10464	31.69	1107	1486177	10915	25906	114618
South Dakota	542	10902	2529	2385	33.53	166	352964	1628	2711	15856
Tennessee	14591	134419	28488	23403	31.17	1380	3267346	20022	50902	142078
Texas	17928	124158	29484	23007	30.88	2867	3175936	28209	67353	295525
Utah	3347	42547	9170	8275	41.23	706	1537698	9267	12554	38534
Vermont	1610	14124	3428	3155	40.29	86	555484	3288	9540	14851
Virginia	6306	49092	11452	9838	33.85	663	1494027	7933	24759	170469
Washington	20998	153336	32215	30440	33.21	2248	4590902	32166	67784	247869
West Virginia	8155	66467	13616	13053	26.72	451	1557968	9709	19143	71883
Wisconsin	20163	136293	29216	29690	49.79	1415	6442865	34784	61531	236204
Wyoming	947	10618	2432	2408	42.06	90	452700	2275	4381	12068

1/ Excludes transitional claims.
2/ Total includes claims taken as agent State by the Virgin Islands.
3/ Weekly data are adjusted for split weeks in the month on the basis of a 5-day work week.
4/ A final payment is the payment for the last week of compensable unemployment in a benefit year, and indicates the exhaustion of benefit rights by a claimant for that benefit year. Because of the time lapse between the actual week in which the unemployment occurs and the date on which final payment is made the monthly total includes some claimants who exhausted their rights in the preceding month but received their final payment in the reported month, and excludes some claimants who exhausted their rights in the reported month but will not receive their final payments until the succeeding month. Workers who exhaust their rights may be entitled to additional benefits when the following benefit year begins. The number of exhaustions is not indicative of the number who are still unemployed as some will have obtained employment and others may have withdrawn from the labor force.
5/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. Includes $41,614 in payments under extended duration provisions of State laws in Puerto Rico.
6/ Adjusted for voided benefit checks and transfers under interstate combined-wage plan.
7/ Includes amount credited to States' accounts in the unemployment trust fund, less withdrawals by the States, under the provisions of the Employment Security Administrative Financing Act of 1954.
8/ Includes data under the program for Puerto Rican sugarcane workers.
9/ Includes payments made under State temporary extended benefit provisions.
10/ Funds available reflect an advance from Federal account in Unemployment Insurance Trust Fund.

Selected Unemployment Insurance Statistics, Federal Programs,[1] March 1967

State	UCFE					UCX				
	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/
Total	8199	101638	22302	$4191813	$40.86	16017	108261	22022	$4198921	$41.45
Alabama	165	2107	376	58745	33.98	256	1659	357	57210	34.86
Alaska	127	2163	644	132895	44.87	30	409	103	21368	44.89
Arizona	135	1579	415	74964	39.31	240	1444	311	57881	40.45
Arkansas	72	1531	195	30442	33.98	117	1044	193	31640	35.67
California	1579	18416	3335	803279	52.36	3207	22756	4239	949243	48.68
Colorado	69	814	237	51718	47.36	190	1213	283	60341	46.31
Connecticut	89	362	74	15725	46.25	128	588	94	18451	42.61
Delaware	16	162	25	4417	39.09	45	283	65	13279	44.56
Dist. of Col.	213	2907	763	165562	47.14	57	448	103	20226	42.67
Florida	138	1146	145	20289	30.51	285	1500	252	37187	32.06
Georgia	160	1525	306	53787	38.23	258	1723	379	71495	41.02
Hawaii	70	1099	304	72473	51.77	115	1026	222	53929	52.77
Idaho	70	1709	418	86341	44.85	101	856	199	37164	40.53
Illinois	318	3134	696	113469	35.43	424	2296	471	85957	39.67
Indiana	58	644	123	20813	36.90	257	1199	254	44399	38.01
Iowa	34	418	88	17253	42.60	79	547	149	30833	45.08
Kansas	62	880	209	36817	38.27	119	667	162	33206	44.63
Kentucky	139	1804	354	64200	39.46	378	3082	617	116164	40.93
Louisiana	93	1062	178	29744	36.27	184	1372	302	55543	39.96
Maine	31	283	68	9916	31.78	72	618	132	24111	39.59
Maryland	109	993	233	44334	41.28	242	1258	309	62309	43.88
Massachusetts	158	2427	604	129168	46.45	290	2270	513	108546	46.01
Michigan	136	1972	428	81865	41.58	706	3993	804	161182	43.59
Minnesota	83	1177	318	56885	38.83	245	2286	593	109926	40.30
Mississippi	132	1397	366	47199	28.03	104	568	123	16662	29.33
Missouri	149	1163	262	45105	37.43	296	1724	394	72282	39.85
Montana	80	1873	465	71052	33.23	68	701	170	25647	32.84
Nebraska	29	664	190	31474	36.01	32	335	86	15168	38.40
Nevada	80	575	130	25372	42.36	83	479	103	20551	43.54
New Hampshire	21	80	17	2827	36.71	56	201	47	9651	44.68
New Jersey	299	2640	444	90193	44.13	524	3627	756	151543	43.57
New Mexico	175	1551	367	56576	33.52	137	844	202	31974	34.34
New York	862	8059	1589	303987	41.59	1094	5766	1102	207369	40.93
North Carolina	100	1327	322	45389	30.67	232	1619	340	61172	39.06
North Dakota	20	553	120	20991	37.89	57	931	193	35163	39.51
Ohio	181	2146	647	118284	39.77	841	4631	642	120131	40.67
Oklahoma	67	1388	280	36542	28.33	105	1311	294	41976	31.07
Oregon	150	2363	565	95722	36.84	288	2414	484	91581	41.14
Pennsylvania	447	5068	1010	177858	38.27	1333	8354	1685	312669	40.34
Puerto Rico	43	624	101	8967	19.37	139	1297	222	19870	19.46
Rhode Island	57	794	177	36822	45.13	84	619	127	25339	43.46
South Carolina	79	666	124	19210	33.64	164	1049	207	37724	39.67
South Dakota	32	620	204	31436	33.48	47	443	114	18243	34.68
Tennessee	250	4870	1327	222987	36.53	277	2630	524	86900	36.04
Texas	262	2941	730	107766	32.07	520	3612	909	150620	36.02
Utah	73	1579	360	73260	44.24	67	920	172	33123	41.77
Vermont	5	139	27	5304	42.10	32	155	38	6966	39.58
Virginia	86	883	159	24956	34.19	133	780	132	22138	36.35
Virgin Islands	0	0	0	0	0	0	0	0	0	0
Washington	311	4811	1098	181984	36.04	724	4422	945	167813	38.59
West Virginia	37	403	83	8954	23.44	334	2399	475	70831	32.39
Wisconsin	92	1786	473	102059	46.90	186	1556	341	67703	43.18
Wyoming	16	361	127	24436	41.70	35	337	85	16522	42.04

1/ The programs for Federal civilian employees (UCFE) and for ex-servicemen (UCX), established under Title XV of the Social Security Act, became effective January 1, 1955 and October 27, 1958, respectively. Data exclude information on claims filed jointly with State unemployment insurance programs.

2/ Includes transitional claims.

3/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan.

4/ Includes data for total, part-total, and partial unemployment. Separate data for total unemployment are not available.

INCOME-MAINTENANCE PROGRAM OPERATIONS

All Programs

	1966		1965	
	December	November	December	November
Total Public Income-Maintenance Payments (millions)	$3,929	$3,822	$3,360	$3,277
Old-age, survivors, and disability insurance	1,983	1,955	1,607	1,599
Railroad and public employee retirement	1/593	1/579	1/516	1/504
Unemployment insurance, temporary disability insurance, workmen's compensation, training benefits (ARA and MDTA)	2/393	2/348	2/399	2/353
Veterans' compensation and pension programs	378	369	368	356
Public assistance	583	571	470	465
Old-Age, Survivors, and Disability Insurance				
Total beneficiaries (thousands)	22,767	22,651	20,867	20,721
Retired workers	11,658	11,630	11,100	11,057
Survivors and dependents	9,381	9,352	8,778	8,683
Disabled workers	1,097	1,089	988	981
Total monthly benefits (millions)	3/$1,639	3/$1,631	3/$1,517	3/$1,507
Retired workers	983	980	932	928
Survivors and dependents	526	524	489	483
Disabled workers	108	107	97	96
Persons receiving special benefits	4/22	4/20	--	--
Public Assistance				
Total recipients (thousands)	8,074	7,927	7,802	7,664
Federally aided programs	7,410	7,316	7,125	7,023
Aid to families with dependent children--children	3,526	3,460	3,316	3,249
Total recipients	4,666	4,568	4,396	4,302
Old-age assistance	2,073	2,079	2,087	2,087
Other federally aided programs	1,583	1,610	922	914
General assistance: Cases	302	290	310	300
Recipients	663	611	677	641
Total payments (millions)	5/$583	5/$571	5/$470	5/$465
Federally aided programs	552	541	439	435
General assistance	24	23	21	20

1/ Data not comparable with earlier reports. Effective January 1964, Federal noncontributory and State and local retirement systems previously included with the data for unemployment insurance, temporary disability insurance, and workmen's compensation are included with railroad and public employees retirement systems.
2/ Data for temporary disability insurance and workmen's compensation include estimated payments made by private insurers and self-insurers in accordance with law.
3/ Current payment status, excludes lump sum and retroactive payments and adjustments for over and under payments.
4/ Special benefits (authorized by P.L. 89-368) for persons aged 72 and over not insured under the regular nor the transitional provisions of the Social Security Act, beginning October 1966.
5/ Total exceeds sum of items because of inclusion of vendor payments, not shown in detail.

TEMPORARY DISABILITY INSURANCE ACTIVITIES UNDER STATE AND RAILROAD PROGRAMS

	First claims received		Weeks compensated		Benefits paid		Benefits paid	
	January 1967	December 1966	January 1967	December 1966	January 1967	December 1966	January 1966	December 1965
California								
State plan								
Basic benefits	50,840	45,249	293,882	288,635	$16,474,220	$16,065,475	$15,346,359	$16,865,675
Additional hospital benefits	1/26,668	1/28,658	2/193,500	2/211,240	2,322,000	2,534,880	2,329,740	2,761,728
Private plan	3,362	3,361	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
New Jersey								
State plan	9,120	7,027	63,658	59,818	2,532,955	2,379,186	2,233,158	2,331,687
Private plan	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
New York	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
Rhode Island	3,526	2,500	27,619	28,100	1,025,472	1,020,994	921,242	987,379
Railroad								
Sickness	7,766	7,747	4/102,156	5/99,106	3,357,602	3,375,313	3,847,681	3,861,793
Maternity	119	114	4/2,104	5/1,568	148,711	114,131	138,998	117,821

1/ Represents the number of payments made.
2/ Days for which additional hospital benefits were paid.
3/ Data not available.
4/ Estimated from data "benefit periods" compensated which number 51,078 for sickness and 1,052 for maternity.
5/ Estimated from data "benefit periods" compensated which number 49,553 for sickness and 784 for maternity.

NOTE.—A separate monthly report, *Unemployment Insurance Statistics*, provides more detailed data on unemployment insurance activities. Copies of *Unemployment Insurance Statistics* are available upon request to Unemployment Insurance Service, Bureau of Employment Security, U.S. Department of Labor, Washington, D.C. 20210.

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